

# E-Commerce and Retail- Significance, Metamorphosis and Obstacles

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**Abstract-** E-commerce has smartly impacted the worldwide business operations and traditional retailing structure. Previously, retailing was mostly limited to physical events. But now, with the spectacular progression of digital commerce, merchant operations and behaviour is potentially reassessed in retail sector. In retailing, Business to Consumer (B2C) activities are greatly influenced by the existing typologies, making the retail operations more competitive with enhanced quality. This paper mainly presents the overall impact of e-commerce on retail functions, retail exports retail marketing in tourism. All such alterations have largely increased the potential of retail sector. Additionally, increased internet usage from past few decades has pushed the retail industry towards another level, providing online platforms. Clearly, retailing has become a source of new opportunities offering unique field experiences with new prospective. Therefore, internet enabled benefits and their impact on retail area are also discussed in this paper. Customer behaviour and reactions have changed the allied cost structures within retailing. Thus, retailing industry, as a whole is emerging as a sector, where things are available at doorsteps in affordable range. Here, digital commerce websites evolve as a front leading entity as they deeply contribute in providing user-friendly online business platforms. Today's smart consumers themselves choose their packages utilising intelligent e-commerce environment. Similarly in tourism industry, entire industry involving information gathering and ordering systems are experiencing rapid transformations. Moreover, online financial exchanges have become popular mode of money exchange during trading and other retail processes.

**Keywords-** E-Commerce, Retail, Web Solutions, E-tailing, E-Retailers, MSME (Micro Small and Medium Enterprises), Characteristics, Challenges, Opportunities

## I. INTRODUCTION

Retailing has played an important role in establishing the modern economy where online business practices have become more prevalent. Similarly, while mentioning e-commerce, it is mainly related to trading where transactions are performed through internet using online intelligence. Electronic retailing may also be termed as e-tailing or e-retailing where

products/ services are purchased through internet. Therefore, E-Commerce and retailing are closely related to each other because recent advances in technology and internet together have broadly changed the business to business trading (buying and selling). Different companies have adopted pure click and brick and click channel systems. Here, pure click firms are those which enable entire shopping process through online sites. Whereas, bricks and clicks involves companies which have extended their physical retail store limits through adding online retailing sites for customers. So, modern retailing is the process where goods and services are sold through multiple distributed channels that maybe physical or available online to earn profit. For successful implementation of an industry in retailing, strategic level decisions play an important role because different consumers from different location show diverse shopping behaviour. Accordingly, retail companies aim to create a more comfortable shopping environment for their consumers so that they may improve their quality and competitiveness in the market. For that reason retailing is not considered as a physical retail market, instead e-commerce has given a new outlook to the retail industry. The dimensions of retail business operations are constantly changing accompanied with flexible networks and competitive marketing strategies. Furthermore, rapid boom in digitisation offers a favourable environment for the e-commerce operations in retail market, recognising and evading certain risks at the same time, utilising intelligent computational methods.

## II. ECOMMERCE- IMPACT ON RETAILERS, RETAIL MARKET AND RETAIL TOURISM

E-retailing is the part of Business to Consumer (B2C) business model that support in accomplishment of a transaction between entrepreneur and final customer [7]. E-commerce is efficiently driving the retail industry towards interesting scenarios where product information is directly available to consumers. Retailers may range from departmental store retailers, supermarkets, speciality retailers (often provide expert knowledge), warehouse retailers having storage of goods, retailers offering discounts and most importantly, e-retailers [1]. With the progression of time, retailers experienced different modifications in window shopping, profit margins and customer services. E-Commerce has drastically affected the

turnover rates of offline retailers. Therefore, offline retailers most importantly focus on advertising their products in order to attract customers so as to increase their sales and profits. In contrast, for stock variation and profit margins, offline retailers face huge competition with the online retailers because sometimes they sell their products at low prices with huge discounts to survive in the market. Also, at the same time they may not create huge stocks as it may be a source of loss at the end of the year, in case they fail to sell the goods. Additionally, due to increased vulnerability, new entrants in e-commerce and retail need to become more efficient by means of e-commerce solutions. Moreover, traditional retail stores have undergone metamorphosis. Therefore, new entrants may survive and get huge profit in competitive marketplace opting e-commerce solutions, which may be categorised into three major groups [2]:

- Building web solutions by e-commerce vendors on their own.
- Solutions offered from other companies
- Choice of becoming a seller on solution, example: Amazon

Retail e-commerce is sprouting to cover a wide range of goods and services. In digital retail market, mediators play a very important role, especially in bricks and mortar e-commerce model, where intermediaries handle the process of product distribution between manufacturer and final customer. However rapid retail e-commerce growth has led to decrease in type of several intermediary agents/ companies. But at the same time, re-intermediation process is surfacing [3]. Thus retail intermediation has substantially reshaped today. Currently, internet intermediaries/ electronic intermediaries generally overlap the traditional intermediaries for some services.

Coming on to the changes in retail tourism, brisk expansion of e-commerce and information technology, have supplemented the development of tourism industry. With increased competitiveness and bunch of opportunities, tourism sector has also become a playing field for the new entrants from media and IT industry [4]. Subsequently, developments such as mass customisation and flexible configuration may further make this industry, the best market for new retailers. Meanwhile, it is primarily important to consider the tourism shopping patterns, so that both public and private sectors gain much of experience about customer preferences. This is so because; tourism shopping extensively impacts the destination economy. Therefore retail marketing in tourism sector not only provides benefits to the local traders, instead it may simultaneously grant ample opportunities for international as well as domestic retailers to gain enough benefits through customer shopping.

Global retail e-commerce has also reflected huge potential in past few years. In 2015, USA ranked highest among top 30 countries in Global Retail E-Commerce Index Report [5]. On the other hand, Argentina and Ireland were the lowest rank holders. Here, many variables were considered, for instance, distinct customer attitude. Different geographical locations require diverse marketing strategies for rapid e-commerce growth along with maintaining adequate infrastructure for e-payments, logistics and other policy issues.

### III. E-RETAILING- ESSENTIALS AND CHARACTERISTIC FEATURES

Moving further on to the basic attributes of e-retailing, it mainly includes fusion of modern technological advancements with the customary store and direct mail model elements. Subsequently, for customer and trader interaction, email messages may be used as one of the main commuting source [7]. E-retailing not only includes the combination of recent technologies with the traditional ones, instead conventional elements may also be replaced with new technologies depending upon the customer ease and convenience. Whereas, online transactions potentially replace the on paper catalogues with the electronic catalogues.

Therefore, in order to make e-retailing experience joyful, customer values and benefits should be primarily considered. But long-term electronic retailing success requires retailer dedication, enthusiastic approach and self assertiveness. Likewise, a positive blend of mind, body and soul plays a vital role during business planning to achieve the goals successfully. Hence, e-retailers offer numerous benefits to the sellers as well as buyers. On the whole, proper communication mediums, successful order fulfilment, logistics and apposite mechanism for online transactions construct the backbone of e-tailing.

### IV. CONFRONTS INDULGED IN E-TAILING

Rapidly shifting customer behaviour, economic forces and technological advancements give rise to extraordinary challenges for the retailers [8]. Just like physical retail stores, online stores may not create massive merchandise stock as it possess certain risks such as it may lead to huge loss at the end on failure to sell all the items. At the same time, to meet the increased demands of online customers, online store's stock limit may rise exponentially [9]. E-retailers may also confront some policy and regulatory issues while expanding their horizons in global marketplace. In global expansion, complete understanding of customer interests at different territories may be difficult to judge at early stage of establishing e-retail firms.

Some other defiance that may resist the e-retailing growth is untried business models and deficient internet access. Even though, par excellence website design may also be difficult to manage initially, because it consists of many sophisticated procedures like suitable usage of graphics and other technicalities to reduce sequential clicks. Sometimes it may result in high development and maintenance expenses. As electronic retail stores provide virtual experience, so it may also cause lack in touch and feel factor and hence lessen instantaneous satisfaction of buyers [10]. Complicated tax regimes also need to be addressed carefully [11]. Competitive pricing and discounts may also create extra burden on e-retailers in cost management as they entail critical analysis and planning without repercating their revenues.

### V. E-RETAILING OPPORTUNITIES FOR RETAILERS AND CUSTOMERS

From 2014 till 2019, a progressive rise is predicted with the number of global digital consumers as a swift escalation was seen in previous three years. In 2015, only 1.32 billion people were utilising digital platforms to buy goods and services, whereas with approximately 2 times rise, 2.07 billion consumers are predicted to use online platforms for purchasing different items [5]. Therefore, with constantly increasing number of digital buyers, global retail e-commerce may provide increased export opportunities across borders. With this, a significant impact may be seen on MSME (Micro Small and Medium Enterprises) sector, enhancing the overall socio-economic composition. Cross-border e-commerce prospective may further stimulate the growth of MSME, breaching the gaps between digital buyers and sellers.

E-retailing splits the order selection from order more clearly and redirects the physical responsibilities and related costs back to the merchant. Such tasks majorly contribute in gaining practical experience about implication of costs in a new business model [6]. E-retailing helps in eliminating geographical limitations through switching old age business models with e-commerce businesses [9]. This aids in establishment of a unique and solitary platform for e-commerce companies where 24/7 product availability becomes possible. Customers get an opportunity to compare product price from huge number of distinct goods on different online shopping websites, with which they may easily select the items within their affordability limits and other preferences.

### VI. CONCLUSION

E-retailing has become tremendously popular from past few years and it is coupled with abundant opportunities for

several retail industries. Although some small scale companies and new e-commerce vendors are still struggling for successful accomplishment of modern advancements to improve their compliance retailing. But apart from this, overall impact of e-retailing seems to be more positive because estimations and market signs point towards growth in upcoming years. E-commerce retailing has also reshaped the traditional retail world to certain extent. As a result, some business firms may face more vulnerability in the online competitive environment. In today's digitized era, retail industry is also affected by the same and hence many e-commerce companies in retail require assessing the suitable business strategies with advanced approach. Above all, changing customer psychology is another factor contributing in establishment of new e-commerce sellers in the market, as customer's interest incline more towards online retail stores. Therefore, e-commerce application benefits the retail industry offering a convenient platform for the retailers and consumers. Almost every sector associated with retailing such as tourism, food and grocery sector or electronic stores are significantly adopting procedures supported by e-commerce and thereby leading the focus towards long term market establishment. It is important for e-retailers to learn the tactics that how they may leverage global competitive scale. E-retailers need a consistent approach in strategising and upgrading their businesses, taking the advantage of modern technology to increase their turnover.

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